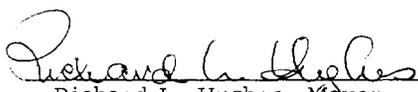
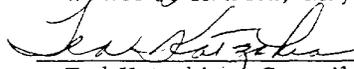


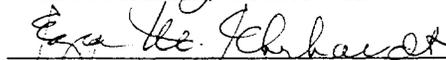
The undersigned members of the Lodi City Council do hereby give their consent to the holding of a Special Meeting of the Lodi City Council at the City Hall on December 10, 1976 at 4:00 p.m. for the purpose of holding an Executive Session relative to possible litigation regarding Pacific Gas and Electric.

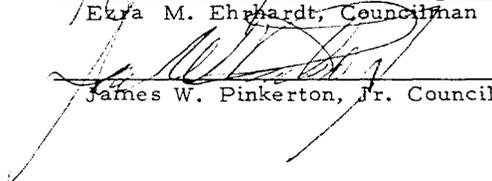
Said Executive Session will be followed by a short public meeting to announce conclusions, if any, resulting from the Executive Session.


Richard L. Hughes, Mayor


Walter J. Katnich, Mayor Pro Tempore


Ted Katzakian, Councilman


Ezra M. Ehrhardt, Councilman


James W. Pinkerton, Jr. Councilman

SPECIAL MEETING
CITY COUNCIL, CITY OF LODI
CITY HALL COUNCIL CHAMBERS
DECEMBER 10, 1976

Pursuant to the foregoing written notice and written consent of the Lodi City Council, a special meeting of the City Council of the City of Lodi was held beginning at 4:00 p. m., Friday, December 10, 1976 in the City Hall Council Chambers.

P.G.&E.
DISPUTED
CHARGES

The Lodi News-Sentinel, the Stockton Record, Life and Times Magazine, Lodi Cable T. V., KCRA T, V, News, KCVR Radio Station were apprised in advance of the meeting by City Clerk Reimche and representatives of the media were present at this special meeting.

ROLL CALL

Present: Councilmen - Ehrhardt, Katnich, Katzakian, Pinkerton and Hughes (Mayor)

Absent: Councilmen - None

Also Present: City Manager Glaves, Assistant City Manager Glenn, Director of Utilities Lewis, and City Clerk Reimche.

Mayor Hughes stated that the purpose of this special meeting, which was agreed to by all Councilmen who waived the 24-hour advance notice, was to review advice received from the City's Washington Attorney, George Spiegel, with respect to negotiations that Mr. Spiegel had been conducting with P.G.&E. in an attempt to settle the dispute that the City has over the charges that are contained in the City's October P.G.&E. bill.

EXECUTIVE
SESSION

The City Council then recessed to Executive Session at 4:25 p. m. Upon request, the City Clerk was excused from attending the Executive Session by Mayor Hughes.

The City Council reconvened from Executive Session at approximately 5:45 p. m.

Upon reconvening from the Executive Session, Mayor Hughes reiterated the purpose for calling this special meeting of the City Council and gave a brief update on events which had led to this dispute.

Mayor Hughes further apprised the Council that in the P.G.&E. October bill to the City, in addition to the energy and demand charges, P.G.&E. has billed the City for the fuel cost adjustment charge in the amount of 1.371¢/kwh. The corresponding rate that a retail P.G.&E. customer outside the City Limits would pay for the same fuel cost adjustment charge through the California Public Utilities Commission would be .774¢/kwh, which is a difference of about .597¢/kwh between the fuel cost adjustment charge the City is being asked to pay and that which the outside retail user is being asked to pay. It is therefore the recommendation of the City's Special Counsel that the City pay the same rate that is in effect for the retail user outside the City Limits or .774¢/kwh, and that the balance of

P.G.&E.
DISPUTED
CHARGES
(Continued)

the fuel adjustment cost charge billed to the City by P.G.&E. for October be considered to be in dispute and be withheld and that amount be deposited in a segregated bank account.

A lengthy Council discussion followed with Councilman Katnich making a motion to direct Staff to compute P.G.&E.'s fuel adjustment cost charged to retail customers outside the City limits as compared to fuel adjustment cost charges to the City of Lodi and at the next regular Council meeting to be held Wednesday, December 15, 1976 when the Council has had an opportunity to review these computations, a decision can be made on a course of action to be taken that would be in compliance as set forth in the letter received from P.G.&E, dated December 9, 1976.

The motion was seconded by Councilman Katakian.

Mr. E. O. Lightfoot, Manager, Pacific Gas and Electric Company, Lodi, who was in the audience addressed the Council stating P.G.&E. has two sets of rules to abide by - one set being with the Federal Power Commission and the other with the California Public Utilities Commission and that the P.G.&E. is abiding with rates legally filed with the FPC and the PUC. Mr. Lightfoot added that he feels the City's problem is with the Federal Power Commission and not with P.G.&E. and that the City has P.G.&E, in the middle by not paying its bill. Mr. Lightfoot stressed that right now the P.G.&E, has a legally filed rate, therefore, it is his Company's position that the entire P.G.&E. October bill to the City is due and payable. Mr. Lightfoot also stated that the retail rates would soon reach equity with the wholesale rates when an expected retail rate increase goes into effect in the Spring.

The question was called for and Councilman Katnich's motion passed by unanimous vote.

ADJOURNMENT

Following additional comments by Council on the subject, Mayor Hughes adjourned the meeting at approximately 6:30 p.m. on motion of Councilman Ehrhardt, Katnich second.

Attest: *Alice M. Reimche*
ALICE M. REIMCHE
CITY CLERK